

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

THE AGRICULTURAL SITUATION

APRIL 1946

A Brief Summary of Economic Conditions

Issued Monthly by the Bureau of Agricultural Economics, United States Department of Agriculture
Subscription price, 50 cents per year; single copy, 5 cents; foreign price, 70 cents; payable in cash or money
order to the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

VOLUME 30 - NUMBER 4 - WASHINGTON, D. C.



IN THIS ISSUE

	Page
Commodity Reviews.....	2
Land Values Continue to Rise Sharply.....	8
The Wheat Picture.....	10
The Feed Shortage and What's Ahead.....	11
Transportation Prospects This Season.....	13

FARMERS this year plan another near-record acreage of crops, according to their March intentions of 17 major ones. The projected total for the 52 principal crops, if the intentions materialize, would be about 357¼ million acres, 4 percent below the goals for 1946 but slightly more than that actually planted in 1945. Acreages planned for food and feed grains are slightly higher than last year, sugar beet and tobacco acreages are substantially above, but oilseed acreages are well below. * * * With nearly a half-billion people throughout the world facing starvation, the President's Famine Emergency Committee has asked Americans to cut their consumption of wheat 40 percent and fats and oils 20 percent in order to make more of these foods available for shipment abroad. And to meet its wheat export commitment of a million tons a month, the Government began buying wheat from farmers in early April to speed the movement off farms. * * * To help ease domestic feed shortages in some areas, the purchase and use of feed grains is restricted beginning this month. * * * By March 1 farm land values, 71 percent above the 1935-39 average, had risen as much during this war period as during the last war boom, and quick turn-over in ownership continues to increase.

Commodity Reviews

PLANTING INTENTIONS

FARMERS this year, aware of famine or serious food shortages facing nearly a half-billion people throughout the world, intend to plant another near-record acreage of the Nation's principal crops. If plans indicated by the March 1 intentions of farmers fully materialize and if the cotton acreage is about the same as last year, this year's acreage of 52 principal crops is likely to reach 357¼ million acres, a trifle above that actually planted last year, but about 4 percent below the 1946 goals.

Of course, changes in such conditions as weather, prices, farm labor and supplies of machinery and equipment may alter farmer's plans and thus change the 1946 acreage from that now intended. Farmers anticipate more than usual difficulties in the adequacy of the supply of farm labor and farm machinery for replacements as well as certain other major factors essential to their operations. But these difficulties may be no worse than they have been during the war, and conditions may even become better in the months ahead.

Prospective acreages of wheat and oats are substantially above those planted in 1945, their combined acreage being 3½ million acres more than last year. Rice, tobacco, and sugar beet acreages are indicated to be well above last year, while corn and barley acreages are a shade higher. The acreage increase over 1945 for the seven crops is indicated to be something near 3.9 million acres. Major acreage decreases are 2.3 million acres for oilseeds—flaxseed, peanuts, and soybeans—and 1 million acres for sorghums. Other acreage reductions from that planted in 1945, though slight in most cases, are indicated for potatoes, sweetpotatoes, dry beans, dry peas, cowpeas, and tame hay to be

harvested. The total of the acreage decrease from 1945 for the 10 crops is indicated to be something under 4 million acres.

Although the acreage reductions more than offset the increases, this may not be true of production as the greatest acreage reductions appear to be in some of the least productive areas. Present indications point to a close utilization of the really productive land in most States and production prospects appear better than usual for this time of year. Total output of all crops, if growing conditions are average, could equal the excellent showing made last year.

1946 Planting Intentions, with Comparisons

Crop	Planted Acreage		
	1945 Actual	1946 Goal	1946 Intentions
	Thou- sands	Thou- sands	Thou- sands
Corn, all.....	92,867	97,760	92,993
Wheat, all.....	68,781	69,875	70,901
Winter.....	50,123	-----	51,940
Spring.....	18,658	-----	18,961
Oats.....	45,234	45,668	40,444
Barley.....	11,423	13,409	11,521
Flaxseed.....	4,056	4,318	3,497
Rice.....	1,517	1,479	1,575
Sorghums, all ²	15,837	-----	14,787
Sorghums, all (excl. sirup).....	15,666	17,093	³ 14,616
Potatoes.....	2,896	2,771	2,738
Sweetpotatoes.....	715	761	712
Tobacco ⁴	1,846	1,908	1,954
Dry beans.....	1,760	2,101	1,673
Dry peas.....	528	588	462
Soybeans, grown alone ²	13,412	-----	11,840
Soybeans for beans ⁴	10,873	10,700	⁵ 9,371
Peanuts, grown alone ²	3,958	-----	3,759
Peanuts, picked and threshed ⁴	3,183	2,500	⁶ 2,986
Tame hay, all ⁴	59,905	61,313	59,791
Sugar beets.....	775	1,032	933

¹ BAE Winter Wheat and Rye Report of December 20, 1945.

² For all purposes.

³ All sorghum acreage less 1945 acreage harvested for sirup, by States.

⁴ Harvested acreage.

⁵ 1946 indicated solid equivalent acreage adjusted for the percentage harvested for beans.

⁶ Assuming the usual relationship of acreages planted alone to acreages for picking and threshing, by States.

Aggregate acreages planned in 1946 are near or above 1945 planted totals in most Northeastern, North Central and Western States. Unfavorable conditions for fall seeding in most South Atlantic and South Central States and in some East North Central States reduced acreages of oats, barley and wheat and consequently the aggregate in those areas.

The acreage which farmers intend to plant to feed grains shows an increase of a third-million acres over 1945 plantings. The intended increases for oats, barley and corn, more than offset the decrease in sorghums.

The prospective increases in the wheat acreage supports earlier hopes for another billion-bushel wheat crop in 1946. Rice acreage is now expected to reach an all-time record of 1,575,000 acres, 4 percent above the 1945 acreage. Rye acreage planted last fall was 17 percent less than for the 1945 crop. But as a whole; the total food grain acreage now intended is 2 percent above that planted in 1945.

Prospective acreages of oilseeds are well below recent high levels, with soybeans showing a decrease of 12 percent, flaxseed down 14 percent and peanuts down 5 percent from 1945 planted acreages.

Percentage-wise, the sugar beet acreage intended shows the largest increase, being 20 percent more than the acreage planted in 1945 and one of the largest acreages in recent years. If present intentions materialize, this year's tobacco acreage of 1,954,000 acres would be the second largest on record and 6 percent above that planted in 1945.

LIVESTOCK

DEMAND for meat will continue strong through the remainder of 1946, with Government purchases for European shipment likely to be at least as large as in 1945, and with continuing high incomes of domestic consumers. Total meat demand is

likely to exceed production for most of the year at least, and will assure a continuing high level of meat animal prices. Prices of all classes of meat animals probably will be at or near present levels through midyear. Prices and unit returns to producers during the latter half of the year will depend partly on ceiling prices and subsidy programs in effect at that time.

In the interest of conserving feed supplies the 50-cent per 100 pound subsidy paid on higher grade cattle marketed for slaughter will be terminated June 30, 1946. This subsidy had the purpose of encouraging the grain feeding of cattle and the feeding of cattle to heavier market weights. Lowering the ceiling price on heavier weight butcher hogs after September 1 is now under consideration as well as a reduction in slaughter subsidy on heavier hogs before September 1, both to encourage farmers to finish hogs to lighter weights as a feed conserving measure. Authorization to continue slaughter subsidies and payments to sheep and lamb producers after June 30, 1946 depends upon Congressional action.

To secure a more equitable distribution of the current short feed supplies the Government recently issued orders governing the use of feed grains and byproduct feeds. A live-stock feeder buying his feeds cannot feed his hogs to more than 225 pounds nor finish his cattle to better than good grade.

Despite cattle subsidy, cattle feeding operations for feeders who purchased cattle last fall for sale during the first 3 months of 1946 have not been as profitable as during the period a year earlier and have been much less profitable than in the preceding two seasons. During the first 3 months of 1946, prices of fed cattle averaged about \$1.00 per 100 pounds higher, but the initial cost of feeder cattle last fall was greater than a year earlier. Prices of feeder cattle continue high.

Index Numbers of Prices Received and Paid by Farmers

[1910-14=100]

Year and month	Prices received	Prices paid, interest, and taxes	Parity ratio ¹
1910-14 average....	100	100	100
1915-19 average....	162	150	106
1920-24 average....	151	173	86
1925-29 average....	149	168	89
1930-34 average....	90	135	66
1935-39 average....	107	128	84
1940-44 average....	154	148	103
1945 average.....	202	174	116
1945			
March.....	198	173	114
April.....	203	173	117
May.....	200	173	116
June.....	206	173	119
July.....	206	173	119
August.....	204	173	118
September.....	197	174	113
October.....	199	175	114
November.....	205	175	117
December.....	207	176	118
1946			
January.....	206	177	116
February.....	207	178	116
March.....	209	179	117

¹ Ratio of prices received by farmers to prices paid, interest, and taxes.

DAIRY PRODUCTS

MILK production in 1946 is now expected to be below the record 122.2 billion pounds reached in 1945, primarily because of a decrease in cow numbers. But if average weather prevails in 1946 and if feed supplies do not become extremely short, milk production per cow may not be much different than the record high of 4,789 pounds attained in 1945.

Seasonal increases in supplies of dairy products has narrowed the wide gap between the supply and demand which prevailed during the late fall and early winter. But the over-all demand for dairy products will exceed supplies at current prices during the remainder of 1946. Even though milk production may be smaller this spring and summer than in the corresponding seasons of 1945, reduced noncivilian takings will more than offset the decrease in production, so

that total civilian supplies of dairy products probably will be greater.

Supplies of fluid milk and cream during the second and third quarter will be ahead of last year. After accounting for probable exports, domestic supplies of other manufactured dairy products during the flush season may also be larger than last year, even though output will be reduced. But supplies of butter will be far short of demand. With no seasonal variation of butter prices under present price ceilings, little if any storing of butter is expected this year. Hence, civilian butter supplies during the last quarter of 1946 may not be much more than half those of the second quarter.

With sustained strong demand for food continuing, utilization of skim milk will be near record levels. Strong demand will continue for non-fat dry milk solids in large part due to its desirability for export. Demand for other skim milk products will be strong, with little, if any, decline from present prices expected.

POULTRY AND EGGS

DEMAND for eggs during March was strong and prices were at or near ceiling levels, after a sharp decline in early February.

Prices received by farmers for eggs during the second half of 1946 probably will average moderately below those of the second half of 1945. Production of eggs may be somewhat smaller. But large cold storage holdings and declines in Army procurement will leave more eggs available for civilians.

In order to aid producers in marketing their poultry in the present feed emergency, a chicken price support program has recently been put in effect. Purchases of dressed chickens (except chickens weighing 3½ pounds or less, live weight) are to be made so as to reflect a United States average farm price of not less than 90 percent of parity. Currently, this would mean support at a national average of 18.4

cents per pound, with variations for type, weight, and location. In mid-March the average price received by farmers for chickens was 23.3 cents per pound, 114 percent of parity. Since mid-March wholesale prices of chickens have increased, particularly on light weight birds.

There will be less chicken meat produced in 1946 than in 1945 because fewer chickens will be raised and because commercial broiler output will be less. But, with a sharp reduction in military takings and record cold-storage holdings, civilian supplies of chicken meat will not be greatly different from last year. Military takings of chicken meat in 1945 were 250 to 300 million pounds, about one-twelfth of total slaughter.

Prices received by farmers for turkeys during the 1946 marketing season are expected to average moderately below 1945. However, prices received for small turkeys (under 16

pounds) are not expected to be much below the 1945 levels. But, as in prewar years, there probably will be wide differentials between large and small turkeys so that prices received for heavy-weight birds will be substantially below light-weight birds. Civilian supplies of turkeys during the last half of 1946 will be near the record supplies reached in 1945, despite a prospective decline of as much as 10 to 15 percent in production. Extremely large cold storage holdings and reduction in military procurement will nearly offset any decreases in slaughter.

FATS AND OILS

WORLD demand for fats and oils exceeds world supplies, yet increased exports from the Far East and greater production of animal fats in Europe will be gradual. Fat production in Europe in the 1945-46 crop year is well below the prewar level, and 1946 export supplies of fats

Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Bureau of Agricultural Economics. Average of reports covering the United States weighted according to relative importance of district and State]

Commodity	5-year average		Mar. 15, 1945	Feb. 15, 1946	Mar. 15, 1946	Parity price Mar. 15, 1946
	August 1909- July 1914	January 1935- December 1939				
Wheat (bushel).....dollars..	0.884	0.837	1.48	1.55	1.58	1.58
Rice (bushel).....do....	0.813	0.742	¹ 1.81	1.77	1.89	1.46
Corn (bushel).....do....	0.642	0.691	1.07	1.11	1.14	1.15
Oats (bushel).....do....	0.399	0.340	.740	.731	.751	.714
Hay (ton).....do....	11.87	8.87	18.10	15.80	16.30	21.20
Cotton (pound).....cents..	12.4	10.34	20.24	23.01	22.70	22.20
Soybeans (bushel).....dollars..	² 0.96	0.954	2.13	2.11	2.12	³ 1.72
Peanuts (pound).....cents..	4.8	3.55	8.20	8.43	8.63	8.59
Potatoes (bushel).....dollars..	0.697	0.717	¹ 1.73	1.46	1.57	1.30
Apples (bushel).....do....	0.96	0.90	2.54	3.75	3.68	1.72
Oranges on tree, per box.....do....	⁴ 1.81	1.11	2.36	2.12	2.21	³ 2.10
Hogs (hundredweight).....do....	7.27	8.38	14.00	14.20	14.20	13.00
Beef cattle (hundredweight).....do....	5.42	6.56	¹ 12.50	12.60	13.10	9.70
Veal calves (hundredweight).....do....	6.75	7.80	¹ 13.50	13.90	14.10	12.10
Lambs (hundredweight).....do....	5.88	7.79	13.80	13.30	13.60	10.50
Butterfat (pound) ⁵cents..	26.3	29.1	50.7	50.8	51.2	⁶ 47.8
Milk, wholesale (100-pound) ⁶dollars..	1.60	1.81	¹ 3.21	¹ 3.34	⁷ 3.29	⁶ 2.81
Chickens (pound).....cents..	11.4	14.9	25.0	23.1	23.2	20.4
Eggs (dozen).....do....	21.5	21.7	33.1	32.6	32.1	⁶ 32.7
Wool (pound).....do....	18.3	23.8	39.9	40.6	40.7	32.8

¹ Revised.

² Comparable base price, August 1909-July 1914.

³ Comparable price computed under section 3 (b) Price Control Act.

⁴ Comparable base price, August 1919-July 1929.

⁵ Does not include dairy production payments made directly to farmers by county AAA offices.

⁶ Adjusted for seasonality.

⁷ Preliminary.

and oils from world surplus-producing areas (North America excluded) are tentatively estimated at about 5½ billion pounds, 4 billion pounds less than prewar though 1 billion pounds more than in 1945.

A moderate increase in civilian supplies of butter in the United States is likely this spring and summer as a result of the seasonal increase in butter production. However, unless butter is stored in sizeable quantities during the flush-production season, supplies are likely to become extremely short again next fall and winter. For 1946 as a whole, United States civilian supplies of all food fats per person—butter, margarine, lard, other shortening and edible oils—probably will be about the same as the 42 pounds consumed last year, with no significant increase in any of the major items. At this level, supplies per person will be 6 pounds below the 1935-39 average.

Little improvement in supplies of oils and fats for industrial nonfood use is in prospect before the latter half of the year. Stocks of inedible fats are usually small. The stringency in linseed oil supplies was intensified in January and February by a slow movement of flaxseed to terminal markets, despite substantial supplies apparently still in country positions. Imports of flaxseed, though expected to increase this year, were small in January and February.

Although copra imports have increased, starting this spring, they are still far below prewar levels. This year's imports of other industrial fats, such as palm oil and tallow, are now expected to be below those of 1945.

VEGETABLES

GROWERS plan to produce an ample supply of spring vegetables again this year. Present indications on commercial truck crops, assuming good growing weather, point to above average supplies for all important crops except early spring asparagus. Green onions and melons apparently

will be in particularly good supply relative to last spring. Strong market demand for spring vegetables are expected to support prices in general nearly as high as last year.

Urban gardens, encouraged again this year in the light of world food shortages, will supplement commercially grown vegetable supplies, but are not expected to depress appreciably the demand for commercial supplies.

Acreages now planted of early commercial potatoes for spring shipment are expected to provide adequate supplies—if growing conditions are favorable—to meet the early season demand for new potatoes.

CASH RECEIPTS

REVISED estimates of cash receipts from farm marketings of crops are now placed at 9,059 million dollars for 1945, as compared with 9,039 million dollars for 1944. A sharp decline from 1944 during 1945 in cash receipts from the small cotton crop more than offset substantial gains in tobacco, feed crops, and sugar crops.

Cash Receipts from Farm Marketings of Crops, 1944 and 1945

Crop group	1944	1945	1945 as percent of 1944
	<i>Mil. dol.</i>	<i>Mil. dol.</i>	<i>Percent</i>
Food grains.....	1,328	1,313	99
Feed grains and hay....	1,194	1,373	115
Cotton and cottonseed...	1,497	1,034	69
Oil crops.....	588	576	98
Tobacco.....	689	954	138
Fruits and nuts.....	1,504	1,452	97
Vegetables.....	1,567	1,642	105
Sugar crops.....	133	168	126
Other crops.....	539	547	101
Total.....	9,039	9,059	100

NOTE.—Revised estimates of cash receipts from marketings of livestock and livestock products are not yet available.

TOBACCO

DOMESTIC consumption of tobacco products continues at a high level though below the war end peak. Tax-paid withdrawals of cigarettes in January amounted to 25.2 billion compared with 20 billion a year earlier. With substantial decreases in

military personnel, however, the reduction in tax-free cigarette withdrawals has been more than the increase in tax-paid withdrawals. Tax-paid withdrawals of cigars in January amounted to 473.0 million compared with 387.4 million a year earlier.

Burley auction markets closed on March 15 with prices averaging 39.4 cents a pound for the season compared with 44.0 cents a year earlier. During the first week of the sales, December 3 to 9, 1945, about 15 percent of the crop was sold at an average of 47.5 cents a pound, but as the marketing season progressed, prices declined substantially, to 28.6 cents for the last week of the season. Despite the break in prices, farmers received about 238 million dollars from the 1945 burley crop, only 22 million less than the 1944 crop, the highest since 1920.

This season's lower burley prices were largely the result of the large supply which exceeded that of 1944-45 by 100 million pounds; reduced 1946 domestic demand in relation to wartime peaks; lack of an important burley export market. After the break in burley prices, legislation was passed authorizing burley acreage allotments, and the Department of Agriculture announced an over-all cut of 10 percent in burley acreage for 1946.

The demand for dark air-cured tobacco has remained strong enough to maintain prices at or about the levels which prevailed last season. Individual 1946 farm acreage allotments for Green River and One Sucker will be 10 percent larger than in 1943, when allotments were last in effect.

Prices of fire-cured tobacco have been rising steadily since the markets opened. The market for Virginia fire-cured (type 21) closed on February 21 with a season average price of 32.4 cents, the highest on record. Marketings of Eastern District fire-cured (type 22) are now 81 percent complete and the season price through late March averaged 32.9 cents compared with the 1944-45 season average of

25.2 cents. The Western District fire-cured (type 23) markets closed on March 15 with a season average price of 29.4 cents per pound compared with 22.9 cents last season. Marketing quotas for the 1946 crop of fire-cured tobacco are in effect, with individual farm acreage allotments 20 percent higher than the 1943 allotments.

FARM LABOR

FARM employment on April 1 was slightly above the level of a year earlier and the seasonal increase, from the record low of last January 1, was greater than usual. But just the number of persons working on farms does not give a complete picture of the supply of farm labor. Although veterans and war workers are not returning to farm work in large volume, a considerable number are, and many are replacing less able-bodied persons who had done so much of the farm work during the war. Thus the reduction in the volume of work performed is not as great as the reduction in the work force from prewar.

Normally farm labor tends to move from agriculture to higher paying industrial employment when plenty of jobs are available in industry. At present an increasing number of farm workers are seeking jobs in industry, and employment has increased considerably in many industries seriously short of labor during the war. This, together with 6½ million separations from the armed forces by February 1, has had the effect of "loosening up" the manpower requirements of major industrial areas. On February 1 only three cities were classified as having "tight" manpower requirements while over 100 were classified as "loose" or "surplus."

Hence, industry is beginning to be more selective in hiring new persons and is starting to weed out less efficient workers. Farmers are beginning to do the same, and an increased output per farm worker compared to 1945 is in prospect for the coming season.

Land Values Continue to Rise Sharply

THE sharp increase in farm land values of 13 percent during the year just ended last March 1 was exceeded in only two previous years, 1920 and 1944. The rise in average per acre values during this war period is now as great as during World War I. Last year's volume of farm real estate sales was slightly higher than in 1944, but below the record volume of 1943, and was accompanied by a considerable number of farms which were resold after only limited periods of ownership. More than one-half of all sales were entirely for cash, but a significant proportion had relatively heavy indebtedness.

Farm land values for the Nation as a whole rose 13 percent during the 12 months ended March 1, 1946, bringing the United States index (1912-14=100) to 142, a rise of 7 percent from November 1, 1945, and 71 percent above 1935-39 average. An increase larger than the current 13 percent rise has occurred in only 2 of the last 35 years for which data are available. Average values rose 15 percent during the year ended March 1944 and 21 percent in 1919-20, at the peak of the World War I boom. Land value increases during the last 5 years have averaged one percent per month.

Measured from their respective prewar bases, the general course of land values so far in this war period has been very similar to that of the World War I. Average values on March 1 had increased 71 percent from the 1935-39 average and compares with an advance of 70 percent to the 1920 peak from the 1910-14 average.

The rise in values during the last year was widespread with a substantial increase reported in each State. The greatest value rise occurred in the group of States comprising the East South Central region where average values were up 18 percent from a year earlier. Values increased 14 percent

in the South Atlantic States and 13 percent in the East North Central and Pacific divisions. Average values increased 10 percent or more in all geographic divisions except in the New England and North Atlantic groups of States where increases of 8 percent were reported. Among the various States the sharpest rise in values of 20 percent, during the last year occurred in North Carolina and Tennessee. Increases of 15 percent or more were reported in 14 States and 10 percent or more in 32 States.

Data on farm real estate transfers during the last 3 quarters of 1945 for selected counties throughout the United States indicate approximately 5 percent more transfers than in the corresponding period a year earlier. Even with this increased rate continuing through the first quarter of 1946, the frequency of transfers for the year ended this March will still be somewhat below the record volume reported for a year ago.

A general increase in farm resales after limited periods of ownership contributed to the increased volume of sales during the last year. Data from selected counties during 1945 indicate that about one-seventh of all voluntary sales were resales of tracts held less than 2 years, compared with an average of about one-eighth during 1944. In the Western Region during 1945, resales within 2 years made up 21 percent of all sales as compared with 19 percent in 1944. The price increase in these resales averaged 30 percent in 1945 as compared with 39 percent in 1944. In several regions such resales made up a significantly larger proportion of all sales during the 4th quarter of 1945 than during any other quarter in the 3 years for which data are available.

The termination of World War II has as yet had little moderating effect upon the farm land market. Shortly after the end of the war,

there was some indication of a slackened demand for farm products, but later developments brought out new shortages with a substantial tightening of the food situation. As a result, prices for farm products continued to advance and cash receipts from farm marketings reached a new high in 1945.

This situation along with further additions during 1945 to the already huge amount of liquid funds in the hands of farmers and others, along with a shortage of goods to purchase, constitute strong influences on the demand side of the land market that have tended to push land prices to the present inflationary levels. However, much of the current high demand for agricultural products is likely to be of a temporary nature and hence are not likely to support continuing high land prices.

Expectations of lower farm product prices and income levels along with a recollection of the collapse in land values that followed World War I should have a tempering effect on the bids of prospective buyers of farms. At the same time the currently high land prices should tend to bring forth an increased supply of farms offered for sale by elderly farmers who wish to retire and other owners who expect to sell at near-peak prices. But these curbing influences in the farm real estate market apparently have been more than offset by the stronger inflationary forces and there is no indication that average farm land prices have reached their peak.

If land prices should continue to rise at the 1 percent per month rate of the last 5 years it would be only about a year and a half before the United States index would be at the 1920 boom level and approximately double the 1935-39 average. Although it is impossible to make any confident prediction of future land prices it is very probable that in many areas the current market prices are above levels likely to be maintained and further increases will tend to make the neces-

sary adjustments likely to follow considerably more difficult. Many of the difficulties and hardships after the World War I land boom arose as a result of a considerable proportion of land buyers incurring heavy debts that could not be repaid when farm product prices and income dropped from their wartime levels.

Available data indicate that credit has been a less important factor so far in the current land boom than in the boom following World War I. But even so, difficulties are likely to arise for many credit-financed buyers of farms and those buying for cash may well find that net returns on their land investments are very low. More than one-half of all farm sales during 1945 were entirely for cash, but for the credit financed sales, the average indebtedness was about 60 percent of the sales price. Furthermore, about 30 percent of the credit financed sales had an initial indebtedness of more than three-fourths of the sales price. While this is only about one-seventh of all sales, it still constitutes a considerable proportion and represents only those recent land buyers who need to make the most substantial mortgage debt repayments in order to avoid a precarious debt situation when farm prices and incomes fall from wartime levels. On many of these farms the debt is larger than their full market value a few years ago. A current debt of 60 percent or more of present average values would equal or exceed the average values prevailing in 1941.

An important point for prospective buyers and farmers to keep in mind is that in most areas the net income of farmers has probably reached a peak. They should, therefore, even more carefully than before, consider their possible alternative investment opportunities as well as their future debt-repayment ability before buying high priced land or taking on any more debts.

A. R. JOHNSON
Bureau of Agricultural Economics

The Wheat Picture

DURING the next few months, before the 1946 crop is harvested, every bushel of wheat that can be spared is needed to reduce starvation abroad—the people of the United States are asked to reduce their consumption so that more wheat and flour will be available for export.

On the basis of January 1 wheat stocks of 689 million bushels, the January-June disappearance for feed and seed at around 90 million bushels and carry-over at 150 million, would leave about 450 million bushels for food in the United States and for export. The 80 percent extraction rate might reduce domestic food use from 270 million bushels to 250 million, while savings resulting from voluntary consumer conservation would further reduce domestic utilization.

Meeting the January-to-June export goal of 225 million bushels will require a substantial reduction in the domestic food consumption of wheat during the April-to-June period. A carry-over of 150 million bushels would be the smallest since the drought years and compares with 235 million bushels for the 1932-41 average. Moreover, just what economies will be effected by reduced wheat feeding cannot be estimated at this time.

To speed the movement of wheat off farms the Commodity Credit Corporation began buying wheat from farmers in early April. The CCC will pay the market price for any date the seller chooses, up to April 1, 1947. The CCC offer is open to farmers till July 1, 1946 unless its requirements are met before that date. Due announcement of this change is to be made. The Internal Revenue Bureau has ruled that farmers selecting market dates on or after January 1, 1947 for wheat delivered under this program may report their payments as received in 1947 for tax purposes.

With the heavy export demand for

wheat and the savings in domestic use desirable, the United States is concerned with the situation in other countries to a greater extent than usual. For the year ended June 30, 1946, minimum world import requirements will be over 1,200 million bushels. The supplies of wheat including flour for export to meet these requirements total only 875 to 900 million bushels. With exports from the United States in the July-December period about 195 million bushels, exports for the year should total from 375 to 400 million bushels, possibly more. Exports from Canada are expected to total 370-380 million bushels, Argentina 65-75 million, and Australia 40-50 million. Supplies from the Southern Hemisphere countries are below average as a result of smaller than average crops harvested in December 1945 and reduction or virtual elimination of carry-over stocks following the previous season's severe drought.

Plantings of 19 million acres of all spring wheat are in prospect this year. Prospective plantings are 1.6 percent larger than the 18,658,000 acres planted last year. A total 1946 planted acreage of all wheat of 70,901,000 acres is indicated, by combining the prospective spring wheat acreage with the winter wheat planted acreage as estimated last December. Such an all-wheat acreage would be an increase of 3 percent over last year and the largest acreage planted since 1938. It would be 1 percent above the national wheat acreage goal, exceeding the goal largely in the hard wheat States.

If the prospective spring wheat acreage is seeded and yields per seeded acre are equal to the average for the years 1937-44, by States, production of all spring wheat would be about 255 million bushels. This spring wheat production combined with the

estimated winter wheat crop of about 751 million bushels as indicated last December, would give an indicated total wheat production of about a billion bushels. This would be about 10 percent less than the record crop last year, but the Nation's fourth billion-bushel output.

Early 1946 world wheat crop prospects are more promising than the small 1945 outturn. This may be expected to reduce requirements of importing countries from the all-time high in the current marketing year, although the requirements still will continue well above average. Increased production would lessen the extreme reliance upon North American supplies, which is necessary because of poor crops in other important areas. Most sections in Europe report satisfactory conditions, with early prospects for a crop above 1945, but, because of fertilizer shortages and other difficulties, still below average. Prospects in North Africa, are reported as generally favorable. A good crop in

this area would eliminate the necessity of imports, which were necessary during the current year because of the very poor crop in 1945. In Australia, where a 140 million-bushel crop was harvested in December, the Government has approved a substantial wheat acreage increase for the next crop year. In Argentina, where a 150 million-bushel crop recently has been harvested, early soil conditions favor increased seedings. In Canada moisture conditions are decidedly better than last year.

With the great demand for wheat, cash prices in the United States are expected to continue at about ceiling levels without the usual seasonal decline preceding the harvesting of the new crop. Effective March 4, ceiling prices for wheat were increased 3 cents a bushel. This increase was made to keep prices in conformity with legal requirements.

ROBERT E. POST

Bureau of Agricultural Economics

The Feed Shortage and What's Ahead

THE current feed shortage, a repetition of conditions during part of each of the past three seasons, probably is more acute in many areas than in any year since the serious droughts of 1934 and 1936 even though feed supplies in the aggregate have been at near-record levels.

In each of the past three years additional feed supplies were obtained through imports of relatively large quantities of oats and barley from Canada as well as through Government action in making large quantities of wheat available for feed. Use of those additional supplies provided livestock producers dependent on commercial supplies with sufficient feed to carry them through the feeding season. During the current season only small quantities of grain can be obtained

from Canada or other countries, and the great need of wheat for export means that little can be spared for feeding purposes.

Although total supplies of feed grain are fairly large, and total production of byproduct feeds has been at near-record levels, the available market supplies have been inadequate to meet the exceptionally strong demand. While feed supplies in surplus producing areas are generally adequate for local use, many buyers in other areas find it difficult or impossible to obtain feed.

To a great extent, the strong demand for feed is traceable to high rates of feeding which in turn are largely the result of favorable livestock-feed price ratios. During the war, a high rate of feeding was desirable because a large

production of livestock and livestock products was essential to meet war needs and because feed supplies were relatively plentiful. Heavy feeding has continued since the war, as reflected in the current rate of output of livestock and livestock products. Hogs marketed in early 1946 averaged about 20 pounds heavier than a year earlier and heavier than any other year on record. A larger than usual proportion of steers slaughtered have been of high quality, reflecting heavy feeding. The quantity of grain and other concentrates fed per milk cow has been at record or near-record levels for many months. Poultry feeding has been heavy as indicated by the record rate of egg production per layer. Also the average weight of turkeys marketed in late 1945 and early 1946 was above any previous year, and the average weight of broilers marketed also was heavier than usual.

The discrepancy between demand for and commercial supply of grain, particularly corn, has been attributable in part to greatly increased demand for mixed feed. Industrial demand for grain especially by processors who depend almost entirely upon commercial supplies, also has increased materially. With marketings of feed grains from farms only about normal in relation to total supplies, the substantial increase in requirements of the mixed feed industry and processors have not been met. Uneven distribution of the commercial supplies further aggravates conditions.

In and effort to ease the tight feed supply situation and to provide additional food urgently needed in foreign countries, several measures have been undertaken recently: (1) farmers have been asked to further increase their acreages of corn, wheat, grain sorghums, and soybeans, (2) the increased extraction rate for wheat flour now in effect brings a higher yield of flour in milling but also reduces the rate of output of wheat millfeeds by about one-third, (3) sale or delivery

of wheat millfeed has been limited to certain classes of distributors and users, and limitations are placed on receipt of wheat millfeed and its use in the manufacture of mixed feed, (4) quantities of protein meal are specified to be set aside by processors for directed distribution, and limits are placed on the quantities of protein meal to be handled in any one month, (5) the use of grains in the production of alcohol, distilled spirits, and in fermented malt liquors is drastically curtailed, (6) permissible mark-ups on certain sales of corn and processed grain were revised downward, and (7) widespread restrictions are placed on purchases and uses of feed grains, particularly corn, by livestock feeders, mixed feed manufacturers and grain processors.

These actions are designed primarily to restore normal distribution of feed grain and byproduct feeds and also limit the use of feeds by some users. Supplementing these measures have been appeals for livestock producers to reduce the high rate of feeding, particularly by marketing hogs at lighter weights, by marketing cattle with less finish, and by heavy culling of poultry flocks.

Reduced feeding probably will occur, particularly in the deficit feed areas, largely because of the inability of many feeders to secure desired quantities of feed, at least until new-crop grain becomes available. Some downward readjustments in livestock numbers probably will occur during 1946—certain adjustments are already under way. During 1944, numbers of all species of livestock and of poultry declined from the very high levels of 1943. Numbers of horses, mules, cattle and sheep declined further in 1945, but numbers of hogs and poultry increased moderately. In terms of grain-consuming animal units, total livestock numbers on January 1, 1946 (including poultry), were slightly larger than on January 1, 1945.

A further decline in cattle numbers

is likely in 1946. Numbers of horses and mules also will continue to decline. Sheep numbers may decline further, but the number of hogs on farms at the beginning of 1947 may not differ greatly from the number on hand on January 1 this year. However, hogs probably will be marketed at lighter weights than in 1945 in the coming months. The number of chickens on farms is expected to be reduced in 1946, with a smaller number of chickens raised than in 1945. The changes in livestock numbers and in output that are in prospect will probably result in some reduction in demand for livestock feed. Most of that reduction will not be reflected, however, until summer, and by that time at least some new-crop oats and barley will be available. Also, pastures will then provide much needed feed.

The total carry-over of corn, oats, and barley at the end of their respective crop years may be two to two and one-half million tons smaller than in 1945, with all of the reduction being in corn and barley. Carry-over of

wheat also will be considerably reduced. Thus, the 1946-47 crop year will start with a relatively small total carry-over of old-crop grain. Among the grains, only the oats carry-over will be larger than average for recent years. Reserves of the other grains will be at comparatively low levels.

If farmers carry out their March 1 intentions, the combined acreage of corn, oats, barley and sorghums in 1946 will approximate 165.7 million acres, about the same as in 1945. If yields, by States, turn out about average this year, production of feed grain on such an acreage would total about 118 million tons, about the same as in 1945 when total production was a near-record.

With reduced reserves of grain in prospect and with large livestock and nonfeed requirements, there is needed a large production of feed grain, particularly corn, during 1946 if the present critical supply situation is not to be repeated next year.

REED A. PHILLIPS

Bureau of Agricultural Economics

Transportation Prospects This Season

LAST fall's expectations of an easing of railroad car shortages and other wartime transportation difficulties by this spring have not been fulfilled as far as the movement of agricultural raw commodities and food-stuffs are concerned. True, there have been more truck tires and parts, and some improvement in the number of new motor trucks available. But the gains have not been enough to offset increased transportation demands and the continuing deterioration of carrier equipment.

In the case of refrigerator cars, for example, the country began the war with approximately 146,000 railroad and privately owned cars, but wartime wear and tear resulted in net retirements of more than 2,000 cars each year since 1941 because it was

not possible to build many new ones during the war. Today there are less than 136,000 cars, including special types not adapted to the protection of fresh fruits and vegetables. And the heavy and continuous use of the remaining ones during the war has brought about serious deterioration, with current manpower and material shortages making prompt repairs a critical problem. A year ago, the number of cars held for repairs on owners' lines or in their shops was about 5,400. At the beginning of last February it was 7,876, but the total number un-serviceable on that date was probably over 10,000 as the number of cars en route to owners' shops or held for light repairs on nonowner railroads are not included in these figures.

Meanwhile, the production of perish-

able commodities, particularly fresh fruits and vegetables, has risen each year since the beginning of the war, and present indications are that 1946 car requirements will run at least as heavy as 1945, with some increase probable.

Although there are about 1,000 new refrigerator cars on order and more in prospect, it is not probable that new equipment will do more than meet the retirement of worn-out cars during the current year. No permanent relief, therefore, may be expected from the refrigerator car shortages of recent months until the basic trouble—lack of an adequate number of useful refrigerator cars—is corrected, or till sufficient refrigerator trucks can be manufactured to handle a portion of the traffic.

A shortage of box cars for the movement of grain, grain products and other nonperishable foods has also seriously hampered the much needed movement of these commodities. The relatively small stocks of grain in public market positions on March 2, 1946, of 124 million bushels compared with 190 million the year before, reflected the lack of cars to move grain from country elevators then. The shortage necessitated preferential treatment recently of box cars used in moving wheat and other food products for export.

Here again, the problem is a smaller number of box cars in service, although in less serious measure than refrigerator cars. But more important than numbers is the fact that, of the cars in service, the proportion suitable for grain and food loading has declined. Although no one knows exactly what proportion of the total box car supply is of the tight, leakproof type required for grain, before the war it was considered to be about 60 percent. During the war, cars were used indiscriminately by heavy industry for the loading of munitions and other freight likely to damage box car linings and floors, and by the first part of 1945 it

is estimated the number suitable for grain was down to approximately 50 percent of the total. In March 1946, it is believed that about 45 percent of the total were suitable, or could be made so with minor repairs and cooping.

Livestock transportation equipment is adequate to meet prospective requirements, particularly in view of current feed shortages and the smaller numbers of livestock expected from farms.

The railroad troubles have not all been because of the smaller number of useful cars in service. Much of the difficulty has been attributed to the widespread adoption of the five-day week in industry, which has slowed the loading and unloading of cars, as well as to absenteeism and labor troubles among railroad employees.

It should not be forgotten that many of the wartime controls requiring maximum loading of cars by shippers, penalty demurrage, limited hold and reassigning privileges and similar restrictions are still in effect, but are necessary to enable the railroads to handle their present volume of traffic. The end of those restrictions is not in sight.

The motor truck situation is more promising. Production of commercial motor trucks for civilian use, seriously restricted during the war, began to roll in volume last October, and despite labor troubles and material shortages, an average of about 45,000 units a month were produced from October through February. Recent settlement of many major labor disputes may mean a larger output in the months ahead provided further labor troubles do not seriously disrupt the flow of parts and raw materials to truck manufacturers. But it will take time to build up inventories in order to meet requirements fully, particularly in the light and medium truck field most important to agriculture.

Truck-part output generally has been adequate, though battery pro-

duction is barely sufficient to meet minimum needs because of lead shortages. However, this problem is expected to improve. Current truck-tire production is sufficient to meet demand, but there has been little margin, and it will take time to fill inventories to the point where they are in free supply.

Some relief to domestic transportation should be found in the return of coastwise and intercoastal shipping. Plenty of dry cargo ships are available now. While there have been sailings between the east and west coasts for several months and some coastwise services have been resumed on the Pacific, the restoration of Gulf and Atlantic coastwise service has been delayed due to the unwillingness of the operators to undertake operation under present costs because of the losses they fear would result. It has been proposed that these shipping services be begun by the War Shipping Administration, with the private companies operating the ships as agents for WSA. Efforts are being made to work out such an arrangement. Probably some services will be in operation between the Gulf of Mexico and North Atlantic ports by late spring or early summer.

Great Lakes package freight service, discontinued during the war, is expected to be resumed soon. A plan is now under way to operate five vessels between lake ports in the transportation of flour, dairy products and other freight not adapted to movement in bulk cargo ships.

The Great Lakes are very important in the movement of grain from northwest terminals to lower lake ports. Wheat for export will be transferred to rail or barge at these points for movement to North Atlantic ports. Grain transport on the Lakes increased heavily during the war, rising from approximately 114 million bushels in 1941, in vessels of United States registry, to an all-time record of 374 million bushels in 1945. In those years, almost all the United States

grain went into domestic food and feed channels upon arrival at Buffalo and other eastern Lake ports. But this year exports for foreign relief will be an important part of the movement. The prospects are that there will be adequate vessels to meet all needs, and it is probable that the Lake movement will be limited by the amount of grain available at west Lake terminals rather than by vessel space.

One of the most pressing problems in the marketing of food products during the war has been the shortage of almost all kinds of containers. With continuing labor troubles and material shortages, the container situation is about as bad as ever, and there are no indications that it will improve substantially in the near future. Shippers and processors would do well to secure their supplies well in advance of the shipping season.

Storage facilities are generally in better shape to handle new crops than during the war. There should be sufficient dry storage for all purposes, and cooler space in cold storage warehouses is expected to be adequate. Freezer space is tight in some localities and it is assumed that area shortages may be encountered from time to time through the summer months. Improvement in the labor supply for handling stocks in warehouses and smaller amounts of some of the principal commodities in store have eased conditions to large extent. Over all, storage facilities are in a more comfortable position than they have been for several years.

J. C. WINTER, *Marketing
Facilities Branch, PMA*



The 1945 rice crop of 70 million bushels set a new production record for the fourth consecutive year, and, with a record-breaking acreage in prospect for 1946, this year's output may be a new high.

Economic Trends Affecting Agriculture

Year and month	Industrial production (1935-39=100) ¹	Income of industrial workers (1935-39=100) ²	1910-14=100				Index of prices received by farmers (August 1909-July 1914=100)			
			Wholesale prices of all commodities ³	Prices paid by farmers		Farm wage rates	Livestock and products			
				Commodities	Commodities interest and taxes		Dairy products	Poultry and eggs	Meat animals	All livestock
1910-14 average.....	58	50	100	100	100	100	100	101	101	101
1915-19 average.....	72	90	158	151	150	148	148	154	163	158
1920-24 average.....	75	122	160	161	173	178	159	163	123	142
1925-29 average.....	98	129	143	155	168	179	160	155	148	154
1930-34 average.....	74	78	107	122	135	115	105	94	85	93
1935-39 average.....	100	100	118	125	128	118	119	109	119	117
1940-44 average.....	192	234	139	150	148	212	162	146	171	164
1945 average.....	203	276	154	180	174	350	197	196	210	203
1945										
March.....	235	322	154	180	173	-----	198	175	211	200
April.....	230	314	154	180	173	335	194	176	215	201
May.....	225	302	155	180	173	-----	192	179	217	202
June.....	220	301	155	180	173	340	191	189	216	203
July.....	211	287	155	180	173	362	192	197	215	205
August.....	187	260	154	180	173	-----	195	207	212	206
September.....	170	222	154	181	174	-----	197	201	207	203
October.....	163	215	155	182	175	355	199	204	202	202
November.....	168	220	156	182	175	-----	202	218	203	206
December.....	163	223	156	183	176	-----	204	222	204	207
1946										
January.....	160	225	156	184	177	347	203	197	206	204
February.....	154	-----	157	185	178	-----	202	168	214	202
March.....	-----	-----	-----	186	179	-----	201	167	219	203

Year and month	Index of prices received by farmers (August 1909-July 1914=100)								Parity ratio ⁵	
	Crops							All crops and live-stock		
	Food grains	Feed grains and hay	To-bacco	Cotton	Oil bearing crops	Fruit	Truck crops			All crops
1910-14 average-----	100	101	102	96	98	99	-----	99	100	100
1915-19 average-----	193	164	187	168	187	125	-----	168	162	106
1920-24 average-----	147	126	192	189	149	148	143	160	151	86
1925-29 average-----	140	119	172	145	129	141	140	143	149	89
1930-34 average-----	70	76	119	74	72	94	106	86	90	66
1935-39 average-----	94	95	175	83	106	83	102	97	107	84
1940-44 average-----	123	119	245	131	159	133	172	143	154	103
1945 average-----	172	161	366	171	215	220	224	201	202	116
1945										
March-----	171	166	359	163	215	211	203	196	198	114
April-----	172	162	362	163	215	221	259	204	203	117
May-----	172	161	363	165	216	227	193	198	200	116
June-----	173	162	364	169	217	237	269	210	206	119
July-----	169	161	364	171	221	237	244	207	206	119
August-----	167	158	367	172	215	214	240	202	204	118
September-----	167	157	365	175	213	217	159	191	197	113
October-----	175	160	373	180	210	219	181	196	199	114
November-----	178	161	375	182	213	217	235	203	205	117
December-----	178	162	378	184	213	230	223	206	207	118
1946										
January-----	179	164	375	180	213	225	249	207	206	116
February-----	180	166	368	186	212	233	275	213	207	116
March-----	185	171	367	183	208	229	283	215	209	117

¹ Federal Reserve Board, adjusted for seasonal variation.

² Total income adjusted for seasonal variation, revised September 1945.

³ Bureau of Labor Statistics.

⁴ Revised.

⁵ Ratio of prices received by farmers to prices paid, interest, and taxes.

⁶ 1924 only.

NOTE.—The index numbers of industrial production and of industrial workers' income, shown above, are not comparable in several respects. The production index includes only mining and manufacturing; the income index also includes transportation. The production index is intended to measure volume, whereas the income index is affected by wage rates as well as time worked. There is usually a time lag between changes in volume of production and workers' income since output can be increased or decreased to some extent without much change in the number of workers.

3
ituation. A brief summary of economic conditions

THE RICULTURAL SITUATION •

MAY 1946

Brief Summary of Economic Conditions

Bureau of Agricultural Economics, United States Department of Agriculture
a per year; single copy, 5 cents; foreign price, 70 cents; payable in cash or money
intendent of Documents, Government Printing Office, Washington 25, D. C.
OLUME 30 - NUMBER 5 - WASHINGTON, D. C.



IN THIS ISSUE

	Page
ers During Two Wars.....	Ronald E. Johnson 4
Record and Future.....	Glen T. Barton 7
creages.....	George B. Strong 9
a Vegetable Oils.....	Peter L. Hansen 11
on Trends.....	Clarence O. Parker 14

Commodity Reviews

APPLIES

Supplies for the United States are plentiful in over a year—only slightly record in 1944. On a per capita basis, civilian supply is now expected 6 percent above the 1936 level. Some 3,300 calories will be available with a rough average of the United States per capita including waste. And these take into account commitments of wheat, and dairy products purposes. The plentiful supplies per-capita world

supply of food in general will average about 15 percent below prewar levels. In Europe the per-capita supply is 20 percent below prewar, with wheat stocks a third smaller than prewar levels. In China, India, and other Asiatic countries, food shortages are acute, with the per-capita supply in many reduced far below prewar levels. Causes of the world food crisis, in Europe and Asia the worst crisis since the devastation following in the wake of Genghis Khan who tried to conquer the world in the 13th century, are manifold. War-disrupted transportation facilities, particularly in many industrial countries, make the difficulties all the more acute. And then added to these critical problems is the meager production in several important food producing countries during the past year or two, largely the result

Batch: NAL18_0218d



Economic Trends Affecting Agriculture

Year and month	Industrial production (1935-39 =100) ¹	Income of industrial workers (1935-39 =100) ²	1910-14=100				Index of prices received by farmers (August 1909-July 1914=100)			
			Wholesale prices of all commodities ³	Prices paid by farmers		Farm wage rates	Livestock and products			
				Commodities	Commodities interest and taxes		Dairy products	Poultry and eggs	Meat animals	All livestock
1910-14 average.....	58	50	100	100	100	100	100	101	101	101
1915-19 average.....	72	90	158	151	150	148	148	154	163	158
1920-24 average.....	75	122	160	161	173	178	159	163	123	142
1925-29 average.....	98	129	143	155	168	179	160	155	148	154
1930-34 average.....	74	78	107	122	135	115	105	94	85	93
1935-39 average.....	100	100	118	125	128	118	119	109	119	117
1940-44 average.....	192	234	139	150	148	212	162	146	171	164
1945 average.....	203	276	154	180	174	350	197	196	210	203
1945										
March.....	235	322	154	180	173	-----	198	175	211	200
April.....	230	314	154	180	173	335	194	176	215	201
May.....	225	302	155	180	173	-----	192	179	217	202
June.....	220	301	155	180	173	340	191	189	216	203
July.....	211	287	155	180	173	362	192	197	215	205
August.....	187	260	154	180	173	-----	195	207	212	206
September.....	170	222	154	181	174	-----	197	201	207	203
October.....	163	215	155	182	175	355	199	204	202	202
November.....	168	220	156	182	175	-----	202	218	203	206
December.....	163	223	156	183	176	-----	204	222	204	207
1946										
January.....	160	225	156	184	177	347	203	197	206	204
February.....	154	-----	157	185	178	-----	202	168	214	202
March.....	-----	-----	-----	186	179	-----	201	167	219	203

Year and month	Index of prices received by farmers (August 1909-July 1914=100)								Parity ratio ⁵	
	Crops							All crops and live-stock		
	Food grains	Feed grains and hay	To-bacco	Cotton	Oil bearing crops	Fruit	Truck crops			All crops
1910-14 average.....	100	101	102	96	98	99	-----	99	100	100
1915-19 average.....	193	164	187	168	187	125	-----	168	162	106
1920-24 average.....	147	126	192	189	149	148	⁶ 143	160	151	86
1925-29 average.....	140	119	172	145	129	141	140	143	149	89
1930-34 average.....	70	76	119	74	72	94	106	86	90	66
1935-39 average.....	94	95	175	83	106	83	102	97	107	84
1940-44 average.....	123	119	245	131	159	133	172	143	154	103
1945 average.....	172	161	366	171	215	220	224	201	202	116
1945										
March.....	171	166	359	163	215	211	203	196	198	114
April.....	172	162	362	163	215	221	259	204	203	117
May.....	172	161	363	165	216	227	193	198	200	116
June.....	173	162	364	169	217	237	269	210	206	119
July.....	169	161	364	171	221	237	244	207	206	119
August.....	167	158	367	172	215	214	240	202	204	118
September.....	167	157	365	175	213	217	159	191	197	113
October.....	175	160	373	180	210	219	181	196	199	114
November.....	178	161	375	182	213	217	235	203	205	117
December.....	178	162	378	184	213	230	223	206	207	118
1946										
January.....	179	164	375	180	213	225	249	207	206	116
February.....	180	166	368	186	212	233	275	213	207	116
March.....	185	171	367	183	208	229	283	215	209	117

¹ Federal Reserve Board, adjusted for seasonal variation.

² Total income adjusted for seasonal variation, revised September 1945.

³ Bureau of Labor Statistics.

⁴ Revised.

⁵ Ratio of prices received by farmers to prices paid, interest, and taxes.

⁶ 1924 only.

NOTE.—The index numbers of industrial production and of industrial workers' income, shown above, are not comparable in several respects. The production index includes only mining and manufacturing; the income index also includes transportation. The production index is intended to measure volume, whereas the income index is affected by wage rates as well as time worked. There is usually a time lag between changes in volume of production and workers' income since output can be increased or decreased to some extent without much change in the number of workers.